

**REPORT/RECOMMENDATION TO THE BOARD OF SUPERVISORS
OF SAN BERNARDINO COUNTY, CALIFORNIA
AND RECORD OF ACTION**

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July 1, 2003

FROM: **ROGER WEAVER**, Director
 Fleet Management Department

SUBJECT: CREDIT CARD SERVICES

RECOMMENDATIONS:

1. Authorize the Director of Fleet Management to apply for credit card services with Brennes-Jones Group, Inc., as a sole source vendor for credit card processing services.
2. Authorize the Purchasing Agent and Director of Fleet Management to negotiate an agreement for credit card services with Brennes-Jones.

BACKGROUND INFORMATION: The Southern California Gas Company (SCG) currently provides billing services for the County's compressed natural gas (CNG) stations. Effective August 31, 2003, SCG will no longer provide these services. External customers (i.e. California State Transportation Department) have requested that the County continue to accept credit cards for CNG. Other external customers (i.e. Bureau of Land Management, U.S. Department of Forestry, etc.) have requested that the County begin accepting credit cards for other products and services.

On March 11, 2003, the Board approved the purchase of data entry terminal equipment for use at the Lena Road and West Valley CNG stations. This new equipment was purchased so the County can continue to sell CNG to external customers after the discontinuance of SCG billing services. However, to use the equipment for credit card sales, the department now needs to purchase software and contract for credit card services.

Pursuant to Government Code 6159, this item will authorize the department to begin negotiations for credit card services. Brennes-Jones, Group Inc. is the only company that provides software capable of interfacing with the County's existing accounting system for all other fuels, CNG data entry terminal equipment recently purchased, and the credit card processing system widely used by the banking industry.

Once systems and safeguards are in place, the department will have the ability to sell all types of fuel, parts, and services to its non-County customers with the use of credit cards. Brennes-Jones will be responsible for processing credit card transactions, billing customers, collecting payments, and resolving credit card related issues that may arise. They will remit revenues less applicable fees to the County on a monthly basis.

The department will return to the Board for approval of a contract for credit card services upon completion of the application and contract negotiations process.

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REVIEW BY OTHERS: This item has been reviewed by Purchasing (Aurelio De La Torre, Director) on June 18, 2003; the Auditor-Controller/Recorder (Pat Sharrit, Chief Deputy Controller) on June 19, 2003; County Counsel (Dawn Stafford) on June 23, 2003; and the County Administrative Office (Daniel R. Kopp, Administrative Analyst) on June 27, 2003.

FINANCIAL IMPACT: There is no cost related to the application for credit card services. If the application is approved and the County enters into an agreement with Brennes-Jones Group, Inc., the total annual cost is expected to be \$3,600. There will also be a one-time software installation fee of \$150.

Upgrading the system components at the County's 22 sites that handle all fuels other than CNG is not necessary at this time. As components reach the end of their useful life, they will be replaced. If Brennes-Jones is not selected, these components would need to be replaced immediately at a cost of \$500,000.

COST REDUCTION REVIEW: The County Administrative Office has reviewed this agenda item, concurs with the department's proposal, and recommends this action based on the need to provide CNG to external customers. Use of credit card services at the CNG stations will enable the County to continue providing alternative fueling services, which reduces emissions. The cost of these services will be included in the rates paid by CNG users.

SUPERVISORIAL DISTRICTS: ALL

PRESENTER: Roger Weaver, Director, 387-7870